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REGINALIAN TODACCO COMPANY

SALEM BUSINESS UNIT PO BOX 1515 WINSTON-SALEM, NC 27102-1515

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FAX TRANSMISSION COVER SHEET

DATE:	May 13, 1998	
TO:	MARK YOUNG FAX # 732-417-90	76
FROM:	RON GROUT FAX # 336/741-23	00
INSTRUCTIONS:		
PAGES TO FOLLOW:	5	,

SALEM TEST MARKET — NEW YORK

March Performance

- SALEM brand share declined .11 versus February.
 - Second highest test market share to date.

Sept.

- 0.64 above expected trend.
- Performance stable in light of heavy competitive promotional activity (Newport B2G1F, Marlboro UL introduction).

·	Newport	Kool	Mariboro Menthol	SALEM	
Feb-Mar Share Chg	+0.60	-0.33	+0.29	-0.11	<u>•</u>
Share of Menthol Display	+9.46	-2.06	+3.36	-0.30	<u>.</u>
% CIV Any Promo	+14.34	+4.14	+17.52	-10.22	
% Volume Any Promo	+2.73	+13.10	+15.76	+0.87	- market and a second

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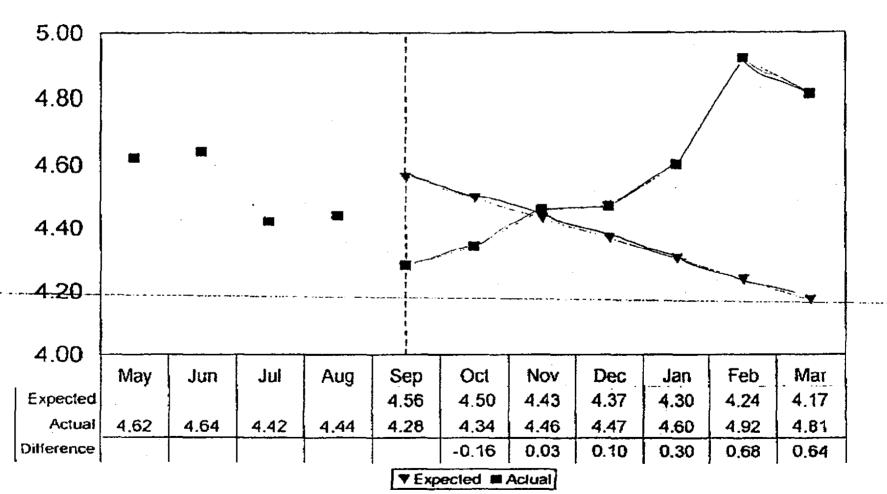
Action plans:

- Continue to drive positioning versus Newport.
- Continue push for distribution expansion.
- Drive increased display where possible; maintain current display levels.
- Closely monitor Marlboro Menthol short-term impact.
- Maintain ongoing discounting activity: snipe, DSD, DOD.

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Salem Test Market - New York

Salem Share of Market - Expected vs Actual



Actual Based on May - March Static Sample Expected: July 96 - September 97 Static 1

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